## **BEFORE THE**

#### PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re:	)
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Affordable Phone Services, Incorporated d/b/a High Tech Communications	Docket No. 2010-14-C ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Dialtone & More Incorporated	Docket No. 2010-15-C )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC	Docket No. 2010-16-C ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. OneTone Telecom, Incorporated	Docket No. 2010-17-C )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. dPi Teleconnect, LLC	Docket No. 2010-18-C
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Image Access, Inc. d/b/a New Phone	Docket No. 2010-19-C )

DIRECT TESTIMONY OF JOSEPH GILLAN ON BEHALF OF

AFFORDABLE PHONE SERVICES, INCORPORATED D/B/A HIGH TECH COMMUNICATIONS

DIALTONE & MORE INCORPORATED
TENNESSEE TELEPHONE SERVICE, LLC D/B/A FREEDOM
COMMUNICATIONS USA, LLC
ONETONE TELECOM, INCORPORATED
DPI TELECONNECT, LLC

**AND** 

IMAGE ACCESS, INC. D/B/A NEW PHONE

1		I. Introduction and Witness Qualification
2	Q.	Please state your name, business address and occupation.
3	A.	My name is Joseph Gillan. My business address is P. O. Box 7498, Daytona
4		Beach, Florida 32116. I am an economist with a consulting practice specializing
5		in telecommunications.
6		
7	Q.	Please briefly outline your educational background and related experience.
8	A.	I am a graduate of the University of Wyoming where I received B.A. and M.A.
9		degrees in economics. From 1980 to 1985, I was on the staff of the Illinois
10		Commerce Commission where I had responsibility for the policy analysis of
11		issues created by the emergence of competition in regulated markets, in particular
12		the telecommunications industry. While at the Commission, I served on the staff
13		subcommittee for the NARUC Communications Committee and was appointed to
14		the Research Advisory Council overseeing the National Regulatory Research
15		Institute.
16		In 1985, I left the Commission to join U.S. Switch, a venture firm
17		organized to develop interexchange access networks in partnership with
18		independent local telephone companies. At the end of 1986, I resigned my
19		position of Vice President-Marketing/Strategic Planning to begin a consulting
20		practice.
21		Over the past thirty years I have testified over 300 times before more than
22		40 state commissions, six state legislatures, the Commerce Committee of the
23		United States Senate, and the Federal/State Joint Board on Separations Reform. I

1 have also been called to provide expert testimony before federal and state courts 2 by clients as diverse as the trustees of a small competitive carrier in the Southeast 3 to Qwest Communications. In addition, I have filed expert analysis with the 4 Finance Ministry of the Cayman Islands and before the Canadian Radio-5 Telecommunications Commission. 6 I serve on the Advisory Council to New Mexico State University's Center 7 for Public Utilities (since 1985) and served as an instructor in their Principles of 8 Regulation program. In addition, I lecture at Michigan State University's 9 Regulatory Studies Program ("Camp NARUC"). I have also lectured at the 10 School of Laws at the University of London (England) and the School of Law at 11 Northwestern University (Chicago). A complete listing of my qualifications, 12 testimony and publications is provided in Exhibit JPG-1 (attached). 13 14 Q. On whose behalf are you testifying in this proceeding? 15 A. I am testifying on behalf Affordable Phone Services, Incorporated d/b/a High 16 Tech Communications, Dialtone & More Incorporated, Tennessee Telephone 17 Service, LLC d/b/a Freedom Communications USA, LLC, OneTone Telecom, 18 Incorporated, dPi Teleconnect, LLC and Image Access, Inc. d/b/a New Phone. 19 20 Q. What is the purpose of your testimony? 21 A. The purpose of my testimony is to explain how the FCC's resale rules and 22 policies fundamentally require that AT&T pass on to resellers the full value of any promotion that lasts longer than 90 days. The resale provisions of the 23

1 Telecommunications Act of 1996 (further implemented in federal rules) are 2 structurally designed to place the reseller in the shoes of a retail customer, except 3 that they pay a rate reduced to reflect an estimate of AT&T's avoided cost. As I 4 explain below, these policies can only be satisfied if the full value of the cash-5 back promotion is provided to the reseller, the same as AT&T's retail customer. 6 This requirement is needed to comply with federal rules prohibiting the 7 imposition of conditions on a reseller that do not apply to retail customers of 8 AT&T, as well as to ensure that the full value of the established discount is not 9 disturbed, distorted or diminished by the promotion. 10 11 Q. What promotion(s) do you address? 12 A. The category of promotions that my testimony addresses are commonly referred 13 to as "cash-back" promotions A cash-back promotion is a category of promotion 14 where a cash payment, gift card, coupon, checks or other similar giveaways are 15 offered as part of a particular promotion. 16 Q. Can you provide an example of a cash-back promotion at issue in this 17 18 proceeding? 19 A. Yes. The Competitive Acquisition for Complete Choice (Basic and Enhanced) 20 was introduced by AT&T/BellSouth on November 17, 2008 and terminated on 21 March 20, 2010 (15 months later). This promotion provided a customer with a

\$50 cash payment so long as the customer was not a current AT&T customer and retained the service for a minimum of one month.<sup>1</sup>

The central question of this proceeding is how should the Commission enforce AT&T's obligation to offer this promotion (and ones like it) for resale? AT&T does not dispute that the reseller is entitled to receive a promotional credit for the cash-back promotion, the only dispute is the amount of the credit to which the resellers are entitled.<sup>2</sup>

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#### **II.** The Federal Requirements

Q. Do existing federal rules clearly establish how AT&T is to offer cash-back promotions to resellers?

<sup>-</sup>

Specific requirements of the promotion include:

<sup>1.</sup> Customer must have at least one wireline local service or equivalent (wireless in lieu of wireline) with a provider other than AT&T at a local service address within the AT&T territory.

<sup>2.</sup> Customer must request the qualifying service at the same address from one address in the AT&T territory to another address in AT&T territory within 30 days of responding to the offer. In the case of an imminent move, AT&T can offer the customer the promotion and place the order at the new address.

<sup>3.</sup> This offer is not valid for out-of-region customers who are new to AT&T.

<sup>4.</sup> Customer must retain service for a minimum of 30 days.

<sup>5.</sup> Offer valid for only (1) service line at the intended local service address.

<sup>6.</sup> AT&T employees are not eligible for this offer.

<sup>7.</sup> This offer may be combined with other Competitive Acquisition offers except this offer may not be combined with other regulated Competitive Acquisition cash back offers.

<sup>&</sup>lt;sup>2</sup> See Stipulations for Consolidated Phase, July 23, 2010.

1	A.	Yes. Federal rules provide clear guidance as to how the issues in this proceeding
2		should be resolved. <sup>3</sup> In particular, the Commission's decision must give effect to
3		the following federal rules:
4		47 C.F.R. § 51.603(b): A LEC must provide services to requesting
5		telecommunications carriers for resale that are equal in quality,
6		subject to the same conditions, and provided within the same
7		provisioning time intervals that the LEC provides these services to
8 9		others, including end users.
10		47 C.F.R. § 51.603(a): An incumbent LEC shall offer to any
		requesting telecommunications carrier any telecommunications
12		service that the incumbent LEC offers on a retail basis to
13		subscribers that are not telecommunications carriers for resale at
11 12 13 14 15		wholesale rates that are, at the election of the state commission –
15		(1) Consistent with the avoided cost methodology described in
16		§§51.607 and 51.609;
17		8831.007 and $31.002$ ,
18		47 C.F.R. § 51.603 (e) Except as provided in §51.613, an
19		incumbent LEC shall not impose restrictions on the resale by a
		requesting carrier of telecommunications services offered by the
21		incumbent LEC.
20 21 22		
23		In more simple terms, these rules mean that:
24		* The reseller is entitled to the same product – under the
25		same terms and conditions – as any other end-user;

The FCC expected its clear rules would simplify proceedings such as this, explaining:

Clear resale rules will create incentives for parties to reach agreement on resale arrangements in voluntary negotiations. Clear rules will also aid states in conducting arbitrations that will be administratively workable and will produce results that satisfy the intent of the 1996 Act. The rules we adopt and the determinations we make in this area are crafted to achieve these purposes. We also note that clear resale rules should minimize regulatory burdens and uncertainty for all parties, including small entities and small incumbent LECs.

First Report and Order, In re: Implementation of the Local Competition Provisions of the Telecommunications Act, Federal Communications Commission CC Docket No. 96-98, FCC 96-325, rel. August 8, 1996 ("Interconnection Order") at ¶ 907.

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2		* The reseller is entitled to the avoided cost margin between
3		the effective retail rate and the wholesale rate; and
4		
5		* AT&T cannot impose any provision that would restrict the
6		reseller's ability to resell a service, with certain enumerated
7		exceptions. <sup>4</sup>
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9		As I explain below, these rules – individually and collectively – require that
10		AT&T provide the reseller with same full cash-back payment that they offer end-
11		users.
12		
13	Q.	What is required by the rules that prohibit additional conditions or
14		restrictions?
15	A.	FCC rules unambiguously place the reseller in the shoes of the retail customer
16		when it acquires a service for resale. The FCC rules make clear that no additional
17		conditions be placed on the reseller, particularly any condition that would have
18		the effect of imposing some restriction on the reseller that does not apply to
19		AT&T retail customers. As such, resellers are fully entitled to the cash-back

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payment as an end-user. To provide any less – or to impose any other qualifying

<sup>&</sup>lt;sup>4</sup> The most significant exceptions are restrictions that prohibit cross-class selling (specifically, reselling residential service to a business customer), and restrictions that prevent the resale of short-term (under 90 days) promotions.

1		requirements – violates the Act and FCC rules prohibiting any additional
2		conditions or restrictions on the reseller. <sup>5</sup>
3		
4	Q.	Has AT&T obtained approval from the Commission regarding the
5		methodology it used to calculate the amount of promotional credits available
6		to resellers associated with cash-back promotions?
7	A.	No. Paragraph 10 of the Parties' Stipulations for Consolidated Phase states:
8 9 10 11 12 13		For purposes of this Consolidated Phase, the Parties agree that AT&T did not seek prior approval from the Commission regarding the methodology it used to calculate the amount of promotional credits to Respondents that are the subject of the Consolidated Phase. <sup>6</sup>
14		
15	Q.	Do the FCC rules require AT&T to obtain Commission approval before
16		imposing such restrictions on resale promotions such as the cash-back
17		promotion?
18	A.	Yes. Section 51.605(e) of the FCC's rules provides that "[e]xcept as provided in
19		Sec[tion] 51.613, an [I]LEC shall not impose restrictions on the resale by a
20		requesting carrier of telecommunications services offered by the [I]LEC." As
21		explained above, Section 51.613(a), in turn, provides that the only restrictions on
22		resale that may be imposed by ILECs are those concerning cross-class selling and
	5	It is worth noting that the ECC takes an expensive view of the types of ectivities that can

It is worth noting that the FCC takes an expansive view of the types of activities that can be considered a restriction on resale (and are thus prohibited). For instance, the FCC considers an incumbent LECs failure to offer a rebranded (or unbranded) operator service as a "restriction on resale." *See* 47 C.F.R § 51.613(c).

See, Stipulations for Consolidated Phase, at para. 10 (July 23, 2010).

<sup>&</sup>lt;sup>7</sup> 47 C.F.R. Section 51.605(e).

short term promotions of 90 days or less. Section 51.613(b) also states that "[w]ith respect to any restrictions on resale not permitted under paragraph (a), an [I]LEC may impose a restriction only if it proves to the state commission that the restriction is reasonable and nondiscriminatory." I am not aware of any state in which AT&T has proven that its restrictions on resale are either reasonable or nondiscriminatory. AT&T's practices are discriminatory and constitute unreasonable restrictions on resale in violation of Sections 251(c)(4)(B) and 271(c)(2)(B)(xiv) of the Act, as well as Section 51.605(e) of the FCC rules.

# Q. Why was the FCC so concerned that services are offered to resellers without additional condition or restriction?

A. The FCC adopted strict resale polices because it feared incumbents would try to use their market power to limit competition:

As we explained in the NPRM, the ability of incumbent LECs to impose resale restrictions and conditions is likely to be evidence of market power and may reflect an attempt by incumbent LECs to preserve their market position. In a competitive market, an individual seller (an incumbent LEC) would not be able to impose significant restrictions and conditions on buyers because such buyers turn to other sellers. Recognizing that incumbent LECs possess market power, Congress prohibited unreasonable restrictions and conditions on resale. We, as well as state commissions, are unable to predict every potential restriction or limitation an incumbent LEC may seek to impose on a reseller. Given the probability that restrictions and conditions may have anticompetitive results, we conclude that it is consistent with the procompetitive goals of the 1996 Act to presume resale restrictions

<sup>&</sup>lt;sup>8</sup> See 47 C.F.R. Section 51.613(e). Cross-class selling, e.g., offering business customers a residential customer promotion.

<sup>&</sup>lt;sup>9</sup> 47 C.F.R. Section 51.613(b).

1 2 3		and conditions to be unreasonable and therefore in violation of section $251(c)(4)$ . <sup>10</sup>
4		The bottom line is that if AT&T is offering a \$50 cash-back promotion (or similar
5		promotion) to end-users, it must provide resellers with the benefit of cash-back
6		promotions, gift cards, coupons, check, or other similar giveaways in association
7		with making the telecommunications service available for resale, pursuant to the
8		Act and the FCC rules.
9		
10	Q.	Is the full flow-through of the cash-back promotion also needed to ensure
11		that AT&T's wholesale prices conform to the FCC's pricing rules for resale?
12	A.	Yes. FCC rules require that the wholesale discount be the product of a cost-study
13		approved by the State Commission. AT&T may only deviate from the results of
14		an approved study if a State Commission reviews and approves a different
15		avoided-cost study that satisfies the full requirements of federal rules. 11 As the
16		following Table illustrates, the only way to maintain the wholesale-to-retail rate
17		relationship consistent with the approved study is to pass through the full value of
18		any cash-back promotion.
19		

Interconnection Order at  $\P$  939.

See Interconnection Order at  $\P$  916 (emphasis added):

Accordingly, we [the FCC] allow a state to approve non-uniform wholesale discount rates, as long as those rates are set on the <u>basis of an avoided cost study</u> that includes a demonstration of the percentage of avoided costs that is attributable to each service or group of services.

Table 1: Providing the Reseller with the Cash-Back Promotion Ensures the Correct Retail-to-Wholesale Margin Between the Effective Retail and Wholesale Prices

Comparison	Retail	Wholesale	
Illustrative Retail Price (Complete Choice)	\$32.50	\$32.50	
Less Avoided Cost (14.8%)		(\$4.81)	] <b></b> _
Wholesale Price		\$27.69	
Cash-Back Promotion	(\$50.00)	(\$50.00)	
Effective Price	(\$17.50)	(\$22.31)	·
Resulting Avoided Cost		(\$4.81)	<b> </b> <del></del>

As Table 1 demonstrates, the estimated avoided cost for Complete Choice (based on the Commission-approved avoided cost study) is \$4.81. The cash-back promotion reduces the effective retail rate by \$50 (at least for the first month). By providing the full amount of the cash-back promotion to the reseller, the effective wholesale rate is also reduced by \$50, thereby restoring the correct wholesale-to-retail rate relationship of \$4.81.

A.

#### **Summary and Conclusion**

#### Q. Please summarize your testimony.

The principal issue addressed by my testimony is how AT&T should treat cashback promotions when resold. As I explain above, this issue is neither difficult nor complex – in order to comply with the Act and federal rules, AT&T must provide to resellers the same promotion as provided to its end users and provide a full cash-back payment (or credit) to the resellers. To do *anything* else would be to impose an unlawful restriction/condition on the reseller that does not apply to the end-user, and impose an unjustified distortion in the wholesale-to-retail pricing relationship approved by Commission.

- 1 Q. Does this conclude your direct testimony?
- 2 A. Yes.

## Joseph Gillan Gillan Associates joegillan@earthlink.net

#### **Education**

B.A. Economics, University of Wyoming, 1978. M.A. Economics, University of Wyoming, 1979.

#### **Professional History**

Gillan Associates, Economic Consulting (1987-Present)

Mr. Gillan manages a private consulting practice specializing in the economic evaluation of regulatory policies and business opportunities in the telecommunications industry. Since forming his consulting practice in 1987, Mr. Gillan has advised business clients as diverse as AT&T and TDS Telecom (a small entrant seeking the authority to compete in a rural area). Mr. Gillan has also acted as the principal economic consultant to the Competitive Telecommunications Association (COMPTEL) as well as CompSouth.

Vice President, US Switch, Inc. (1985-1987)

Responsible for crafting the US Switch business plan to gain political acceptance and government approval. US Switch pioneered the concept of "centralized equal access," which positioned independent local telephone companies for a competitive long distance market. While with US Switch, Mr. Gillan was responsible for contract negotiation/marketing with independent telephone companies and project management for the company's pilot project in Indiana.

Policy Director/Market Structure - Illinois Commerce Commission (1980-1985)

Primary staff responsibility for the policy analysis of issues created by the emergence of competition in regulated markets, in particular the telecommunications industry. Mr. Gillan served on the staff subcommittee for the NARUC Communications Committee and was appointed to the Research Advisory Council overseeing NARUC's research arm, the National Regulatory Research Institute.

Mountain States Telephone Company - Demand Analyst (1979)

Responsible for conducting statistical analysis of the demand for access by residential subscribers.

## **Professional Appointments**

Board of Directors Universal Service Administrative Company 2008-Present

Guest Lecturer Northwestern University Law School 2007

Guest Lecturer School of Laws, University of London, 2002, 2008

#### **Professional Appointments (cont)**

Instructor Michigan State University, Regulatory Instructional Program, 2005-Present

Instructor Principles of Regulation, New Mexico State University Center for Regulation

Advisory Council New Mexico State University, Center for Regulation, 1985 – Present

Faculty Summer Program, Public Utility Research and Training Institute, University of

Wyoming, 1989-1992

Contributing Editor Telematics: The National Journal of Communications Business and Regulation,

1985 - 1989

Chairman Policy Subcommittee, NARUC Staff Subcommittee on Communications,

1984-1985

Advisory Committee National Regulatory Research Institute, 1985

Distinguished Alumni University of Wyoming, 1984

#### **Selected Publications**

"The Local Exchange: Regulatory Responses to Advance Diversity", with Peter Rohrbach, <u>Public Utilities</u> Fortnightly, July 15, 1994.

"Reconcentration: A Consequence of Local Exchange Competition?", with Peter Rohrbach, <u>Public Utilities Fortnightly</u>, July 1, 1994.

"Diversity or Reconcentration?: Competition's Latent Effect", with Peter Rohrbach, <u>Public Utilities</u> <u>Fortnightly</u>, June 15, 1994.

"Consumer Sovereignty: An Proposed Approach to IntraLATA Competition", <u>Public Utilities Fortnightly</u>, August 16, 1990.

"Reforming State Regulation of Exchange Carriers: An Economic Framework", Third Place, University of Georgia Annual Awards Competition, 1988, <u>Telematics: The National Journal of Communications, Business</u> and Regulation, May, 1989.

"Regulating the Small Telephone Business: Lessons from a Paradox", <u>Telematics: The National Journal of Communications</u>, <u>Business and Regulation</u>, October, 1987.

"Market Structure Consequences of IntraLATA Compensation Plans", <u>Telematics: The National Journal of Communications</u>, <u>Business and Regulation</u>, June, 1986.

"Universal Telephone Service and Competition on the Rural Scene", <u>Public Utilities Fortnightly</u>, May 15, 1986.

### **Selected Publications (continued)**

"Strategies for Deregulation: Federal and State Policies", with Sanford Levin, Proceedings, <u>Rutgers University Advanced Workshop in Public Utility Economics</u>, May 1985.

"Charting the Course to Competition: A Blueprint for State Telecommunications Policy", <u>Telematics: The National Journal of Communications Business, and Regulation</u>, with David Rudd, March, 1985.

"Detariffing and Competition: Options for State Commissions", Proceedings of the <u>Sixteenth Annual</u> Conference of Institute of Public Utilities, Michigan State University, December 1984.

#### **International Assignments**

Recovering Contribution: Lessons from the United States' Experience, Report submitted to the Canadian Radio-television and Telecommunications Commission on behalf of CallNet.

Forcing a Square Peg into a Round Hole: Applying the Universal Service Cost Model in the Cayman Islands, Analysis Presented to the Government of the Cayman Islands on behalf of Cable and Wireless.

#### **Listing of Expert Testimony – Court Proceedings**

*Trinsic, Inc. et al., v. Thermo Credit, LLC,* (Bankruptcy Case No. 07-10324-MAM-7 United States Bankruptcy Court, Southern District of Alabama, Southern Division)(Industry Structure/Federal Policy/Local Entry Strategies)

ACD Telecom, Inc., v. Michigan Bell Telephone Company, d/b/a SBC Michigan, (Civil Action No. 04-689-CK Circuit Court for the County of Ingham Michigan) (Breach of Contract/Industry Terminology)

MCI, L.L.C. dba Verizon Business vs. Vorst Paving, Inc., (Civil Action NO. CV: 106-064 District Court for the Southern District Of Georgia) (Damages Claim)

*United States of America v. SBC Communications Inc. and AT&T Corp.* (Civil Action No. 1:05CV02102 District Court for the District of Columbia) (Inadequacy of Proposed Final Judgment Settling SBC Merger with AT&T)

*United States of America v. Verizon Communications Inc. and MCI Inc.* (Civil Action No. 1:05CV02103 District Court for the District of Columbia) (Inadequacy of Proposed Final Judgment Settling Verizon Merger with MCI)

T & S Distributors, LLC, ACD Telecom, Inc, Telnet Worldwide, Inc et al. v. Michigan Bell Telephone Company (Civil Action No. 04-689-CK Ingham Circuit Court, State of Michigan) (Enforcement of contract; Industry definitions of local exchange service and end user)

*Dwayne P. Smith, Trustee v. Lucent Technologies* (Civil Action No. 02-0481 Eastern District of Louisiana)(Entry and CLEC Performance)

#### **Listing of Expert Testimony – Court Proceedings (continued)**

*BellSouth Intellectual Property v. eXpeTel Communications* (Civil Action No. 3:02CV134WS Southern District of Miss.)(Service definition, industry structure and Telecom Act of 1996)

CSX Transportation Inc. v. Qwest International, Inc. (Case No. 99-412-Civ-J-21C Middle District of Florida) (industry structure and wholesale contract arrangements).

Winn v. Simon (No. 95-18101 Hennepin Cty. Dist. Ct.)(risk factors affecting small long distance companies)

American Sharecom, Inc. v. LDB Int'l Corp. (No. 92-17922, Hennepin County District Court) (risk factors affecting small long distance companies)

World Com, Inc. et al. v. Automated Communications, Inc. et al. (No. 3:93-CV-463WS, S.D. Miss.) (damages)

State	Docket/Case	Topic	Sponsor(s)
Louisiana		ETC/Study Area Redefinition	Cox
South Carolina	Docket 2009-326-C	USF and Deregulation	SCTA/CompSouth
New Mexico	Case No. 07-00316-UT	Prison Payphone Rates	PCS Inc.
Montana	Docket 2005.6.105	Use of USF Support	PSC Staff
Colorado	Docket No. 07A-211T	UNE Price Cap	CBeyond
California	Rulemaking 08-01-005	Copper Retirement	CalTel
Texas	Docket No. 34723	Universal Service Reform	Reform Coalition
Missouri	Case TO-2006-0360	Wire Center Classification	CLEC Coalition
FCC	WC Docket 06-172	E911 as Measure of Local Comp	CLEC Coalition
Georgia	Docket 14361-U	Time Value of Money	CLEC Coalition
Kentucky	Case No. 2006-000316	271 Pricing – Loop and Switch	Southeast Tel
New York	Case No. 06-C-0897	Verizon Pricing Flexibility	CompTel/XO
Tennessee	Docket 06-00093	AT&T-BellSouth Acquisition	CLEC Coalition
Mississippi	No. 2006-UA-164	AT&T-BellSouth Acquisition	NuVox/TWTC
Kentucky	Case No. 2006-00136	AT&T-BellSouth Acquisition	NuVox/Xspedius
Indiana	Cause No. 42986	Wire Center Impairment List	COVAD/NuVox
Ohio	05-1393-TP-UNC	Wire Center Impairment List	CLEC Coalition

State	Docket/Case	Торіс	Sponsor(s)
Illinois	Docket 06-0029	Wire Center Impairment List	CLEC Coalition
Illinois	Docket 06-0027	AT&T Illinois Deregulation	Data Net Systems
Oklahoma	Cause PUD 20060034	Wire Center Impairment List	CLEC Coalition
Kansas	06-SWBT-743-COM	Wire Center Impairment List	CLEC Coalition
Arkansas	Docket 05-140-C	Wire Center Impairment List	CLEC Coalition
Georgia	Docket 19341-U (II)	Establishing Section 271 Rates	CompSouth
Texas	Docket 31303	Wire Center Impairment List	CLEC Coalition
Washington	Docket UT-050814	Verizon-MCI Merger	Covad
California	Application 05-04-020	Verizon-MCI Merger	Cox
California	Application 05-04-020	Verizon-MCI Merger	Covad/CalTel
Oklahoma	Cause 200400695	Supersedes Bond	Cox
Florida	Docket 041269-TP	TRRO Implementation	CompSouth
Mississippi	Docket 2005-AD-139	TRRO Implementation	CompSouth
South Carolina	Docket 2004-316-C	TRRO Implementation	CompSouth
Kentucky	Case No. 2004-00427	TRRO Implementation	CompSouth
Alabama	Docket No. 29543	TRRO Implementation	CompSouth
Louisiana	Docket No. U-28356	TRRO Implementation	CompSouth
North Carolina	Docket P-55, Sub 1549	TRRO Implementation	CompSouth
Tennessee	Docket No. 04-00381	TRRO Implementation	CompSouth
Georgia	Docket No. 19341-U	TRRO Implementation	CompSouth
California	Application 05-02-027	SBC-AT&T Merger	Cox
California	Application 05-02-027	SBC-AT&T Merger	CalTel
Oklahoma	Cause 200400695	SBC Deregulation	Cox
Kansas	05-SWBT-907-PDR	SBC Deregulation	Cox-WorldNet
Wisconsin	6720-TI-196	SBC Deregulation	CUB
Oklahoma	Cause 200400042	Status of Local Competition	Cox
Michigan	Case U-14323	SBC Deregulation	Talk America
Oklahoma	Cause RM 200400014	Regulatory Flexibility for SBC	CLEC Coalition
New Mexico	Case No. 3567	Regulation of Wireless Carriers	Wireless Coalition

State	Docket/Case	Topic	Sponsor(s)
North Carolina	Docket P-19 Sub 277	Alternative Regulation	CompSouth
North Carolina	Docket P-55 Sub 1013	Alternative Regulation	CompSouth
Mississippi	Docket 2003-AD-714	Switching Impairment	CompSouth
Kentucky	Case No. 2003-00379	Switching Impairment	CompSouth
Texas	Docket 28607	Switching Impairment	CLEC Coalition
Massachusetts	D.T.E 03-60	Switching Impairment	CLEC Coalition
Louisiana	Docket U-27571	Switching Impairment	CompSouth
New Jersey	Docket TO03090705	Switching Impairment	CLEC Coalition
Kansas	03-GIMT-1063-GIT	Switching Impairment	CLEC Coalition
South Carolina	Docket 2003-326-C	Switching Impairment	CompSouth
Alabama	Docket 29054	Switching Impairment	CompSouth
Illinois	Docket No. 03-0595	Switching Impairment	AT&T
Indiana	Cause No. 42500	Switching Impairment	AT&T
Pennsylvania	Case I-00030099	Switching Impairment	CLEC Coalition
Tennessee	Docket No. 03-00491	Switching Impairment	CompSouth
North Carolina	P-100, Sub 133Q	Switching Impairment	CompSouth
Georgia	Docket No. 17749-U	Switching Impairment	CompSouth
Missouri	Case TW-2004-0149	Switching Impairment	CLEC Coalition
Michigan	Case No. U-13796	Switching Impairment	CLEC Coalition
Florida	Docket No. 030851-TP	Switching Impairment	FCCA
Ohio	Case 03-2040-TP-COI	Switching Impairment	AT&T/ATX
Wisconsin	05-TI-908	Switching Impairment	AT&T
Washington	UT-023003	Local Switching Rate Structure	AT&T/MCI
Arizona	T-00000A-00-0194	UNE Cost Proceeding	AT&T/WCOM
Illinois	Docket 02-0864	UNE Cost Proceeding	AT&T
North Carolina	P-55, Sub 1013 P-7, Sub 825 P-19, Sub 277	Price Cap Proceedings	CLEC Coalition
Kansas	02-GIMT-555-GIT	Price Deregulation	Birch/AT&T
Texas	Docket No. 24542	Cost Case	AT&T

State	Docket/Case	Topic	Sponsor(s)
North Carolina	Docket P-100, Sub 133d	UNE Cost Proceeding	CLEC Coalition
Georgia	Docket No. 11901-U	DSL Tying Arrangement	WorldCom
Tennessee	Docket No. 02-00207	UNE Availability/Unbundling	CLEC Coalition
Utah	Docket No. 01-049-85	Local Switching Costs/Price	AT&T
Tennessee	Docket No. 97-00309	Section 271 Compliance	CLEC Coalition
Illinois	Docket No. 01-0662	Section 271 Compliance	AT&T
Georgia	Docket No. 14361-U	UNE Availability/Unbundling	CLEC Coalition
Florida	Docket 020507-TL	Unlawful DSL Bundling	CLEC Coalition
Tennessee	Docket No. 02-00207	UNE Availability/Unbundling	CLEC Coalition
Georgia	Docket No. 14361-U	UNE Costs and Economics	AT&T/WorldCom
Florida	Docket 990649-TP	UNE Cost and Price Squeeze	AT&T/WorldCom
Minnesota	P-421/CI-01-1375	Local Switching Costs/Price	AT&T
Florida	Docket 000075-TP	Intercarrier Compensation	WorldCom
Texas	Docket No. 24542	Unbundling and Competition	CLEC Coalition
Illinois	Docket 00-0732	Certification	Talk America
Indiana	Cause No. 41998	Structural Separation	CLEC Coalition
Illinois	Docket 01-0614	State Law Implementation	CLEC Coalition
Florida	Docket 96-0768	Section 271 Application	SECCA
Kentucky	Docket 2001-105	Section 271 Application	SECCA
FCC	CC Docket 01-277	Section 271 for GA and LA	AT&T
Illinois	Docket 00-0700	Shared Transport/UNE-P	CLEC Coalition
North Carolina	Docket P-55 Sub 1022	Section 271 Application	SECCA
Georgia	Docket 6863-U	Section 271 Application	SECCA
Alabama	Docket 25835	Section 271 Application	SECCA
Michigan	Case No. U-12622	Shared Transport/UNEs	AT&T
Ohio	Case 00-942-TP-COI	Section 271 Application	AT&T
Alabama	Docket No. 25835	Structural Separation	SECCA
Alabama	Docket No. 27821	UNE Cost Proceeding	ITC^Deltacom
Louisiana	Docket U-22252	Section 271 Application	SECCA

State	Docket/Case	Topic	Sponsor(s)
Mississippi	Docket 97-AD-321	Section 271 Application	SECCA
South Carolina	Docket 2001-209-C	Section 271 Application	SECCA
Colorado	Docket 99A-577T	UNE Cost Proceeding	AT&T
Arizona	Case T-00000A-00-0194	UNE Cost Proceeding	AT&T
Washington	Docket UT-003013	Line Splitting and Combinations	AT&T
Ohio	Case 00-1368-TP-ATA Case 96-922-TP-UNE	Shared Transport	AT&T/PACE
North Carolina	P-100 Sub 133j	Standard Collocation Offering	CLEC Coalition
Florida	Docket 990649-TP	UNE Cost Proceeding	CLEC Coalition
Michigan	Case No. U-12320	UNE Combinations/Section 271	AT&T
Florida	Docket 00-00731	Section 251 Arbitration	AT&T
Georgia	Docket 5825-U	Universal Service Fund	CLEC Coalition
South Carolina	97-239-C	Universal Service Fund	CLEC Coalition
Texas	PUC Docket 22289/95	ETC Designation	Western Wireless
Washington	Docket UT-003013	UNE Costs and Local Competition	AT&T
New York	Docket 98-C-1357	UNE Cost Proceeding	Z-Tel
Colorado	Docket 00K-255T	ETC Designation	Western Wireless
Kansas	99-GCCZ-156-ETC	ETC Designation	Western Wireless
New Mexico	98-484-TC	ETC Designation	Western Wireless
Illinois	Docket 99-0535	Cost of Service Rules	AT&T/MCI
Colorado	Docket 00-B-103T	U S WEST Arbitration	ICG Comm.
North Dakota	PU-1564-98-428	ETC Designation	Western Wireless
Illinois	Docket 98-0396	Shared Transport Pricing	AT&T/Z-Tel
Florida	Docket 981834-TP	Collocation Reform	CLEC Coalition
Pennsylvania	M-00001353	Structural Separation of Verizon	CompTel/ATX
Illinois	Docket 98-0860	Competitive Classification of Ameritech's Business Services	CompTel/ AT&T
Georgia	Docket 6865-U	Complaint re: Combinations	MCIWorldcom
Virginia	Case No. PUC 990100	GTE/Bell Atlantic Merger	AT&T

State	Docket/Case	Торіс	Sponsor(s)
Florida	Docket 990649-TP	UNE Cost and Pricing	CLEC Coalition
Nebraska	Application C-1960/PI-25	IP Telephony and Access Charges	ICG Communications
Georgia	Docket 10692-U	Pricing of UNE Combinations	CLEC Coalition
Colorado	Docket 99F-141T	IP Telephony and Access	Qwest
California	Case A. 98-12-005	GTE/Bell Atlantic Merger	AT&T/MCI
Indiana	Case No. 41255	SBC/Ameritech Merger	AT&T
Illinois	Docket 98-0866	GTE/Bell Atlantic Merger	AT&T
Ohio	Case 98-1398-TP-AMT	GTE/Bell Atlantic Merger	AT&T
Tennessee	Docket 98-00879	BellSouth BSE	SECCA
Missouri	Case TO-99-227	§ 271 Review: SBC	AT&T
Colorado	Docket 97A-540T	Stipulated Price Cap Plan/USF	CLEC Coalition
Illinois	ICC Docket 98-0555	SBC/Ameritech Merger	AT&T
Ohio	Case 98-1082-TP-AMT	SBC/Ameritech Merger	AT&T
Florida	Docket 98-1121-TP	UNE Combinations	MCI WorldCom
Georgia	6801-U	§ 251 Arbitration: BellSouth	AT&T
Florida	92-0260-TL	Rate Stabilization Plan	FIXCA
South Carolina	Docket 96-375	§ 251 Arbitration: BellSouth	AT&T
Kentucky	Docket 96-482	§ 251 Arbitration: BellSouth	AT&T
Wisconsin	05-TI-172/5845-NC-101	Rural Exemption	TDS Metro
Louisiana	U-22145	§ 251 Arbitration: BellSouth	AT&T
Mississippi	96-AD-0559	§ 251 Arbitration: BellSouth	AT&T
North Carolina	P-140-S-050	§ 251 Arbitration: BellSouth	AT&T
Tennessee	96-01152	§ 251 Arbitration: BellSouth	AT&T
Arizona		§ 251 Arbitration: US West	AT&T Wireless
Florida	96-0883-TP	§ 251 Arbitration: BellSouth	AT&T
Montana	D96.11.200	§ 251 Arbitration: US West	AT&T
North Dakota	PU-453-96-497	§ 251 Arbitration: US West	AT&T
Texas	Docket 16226	§ 251 Arbitration: SBC	AT&T/MCI

State	Docket/Case	Topic	Sponsor(s)
Alabama	Docket 25703	§ 251 Arbitration: BellSouth	AT&T
Alabama	Docket 25704	§ 251 Arbitration: GTE	AT&T
Florida	96-0847-TP	§ 251 Arbitration: GTE	AT&T
Kentucky	Docket 96-478	§ 251 Arbitration: GTE	AT&T
North Carolina	P-140-S-51	§ 251 Arbitration: GTE	AT&T
Texas	Docket 16630	§ 251 Arbitration: SBC	LoneStar Net
South Carolina	Docket 96-358	§ 251 Arbitration: GTE	AT&T
Texas	Docket 16251	§ 271 Review: SBC	AT&T
Oklahoma	97-0000560	§ 271 Review: SBC	AT&T
Kansas	97-SWBT-411-GIT	§ 271 Review: SBC	AT&T
Alabama	Docket 25835	§ 271 Review: BellSouth	AT&T
Florida	96-0786-TL	§ 271 Review: BellSouth	FCCA
Georgia	Docket 6863-U	§ 271 Review: BellSouth	AT&T
Kentucky	Docket 96-608	§ 271 Review: BellSouth	AT&T
Louisiana	Docket 22252	§ 271 Review: BellSouth	AT&T
Texas	Docket 16226	UNE Cost	AT&T/MCI
Colorado	97K-237T	Access Charges	AT&T
Mississippi	97-AD-321	§ 271 Review: BellSouth	AT&T
North Carolina	P-55 Sub 1022	§ 271 Review: BellSouth	AT&T
South Carolina	97-101-C	§ 271 Review: BellSouth	AT&T
Tennessee	97-00309	§ 271 Review: BellSouth	AT&T
Tennessee	96-00067	Wholesale Discount	AT&T
Tennessee	97-00888	Universal Service	AT&T
Texas	Docket 15711	GTE Certification as CLEC	AT&T
Kentucky	97-147	BellSouth BSE Certification	SECCA
Florida	97-1056-TX	BellSouth BSE Certification	FCCA
North Carolina	P691 Sub O	BellSouth BSE Certification	SECCA
Florida	98-0696-TP	Universal Service	FCCA
New York	97-C-271	§ 271 Review: Bell Atlantic	CompTel

State	Docket/Case	Topic	Sponsor(s)
Montana	D97.5.87	§ 271 Review: US West	AT&T
New Mexico	97-106-TC	§ 271 Review: US West	AT&T/CompTel
Nebraska	C-1830	§ 271 Review: US West	AT&T
Alabama	Docket 25980	Universal Service	AT&T
Kentucky	Admin 360	Universal Service	AT&T
North Carolina	P100-S133B	Universal Service	AT&T
North Carolina	P100-S133G	Universal Service	AT&T
Illinois	95-0458/0531	Combined Network Elements	WorldCom
Illinois	96-0486/0569	Network Element Cost/Tariff	WorldCom
Illinois	96-0404	§ 271 Review: Ameritech	CompTel
Florida	97-1140-TP	Combining Network Elements	AT&T/MCI
Pennsylvania	A-310203-F0002	Local Competition	CompTel
Georgia	6415-U/6527-U	Local Competition	CompTel
Illinois	98-NOI-1	Structural Separation	CompTel/Qwest
New York	98-C-690	Combining Network Elements	CompTel
Texas	Docket 17579	§ 251 Arbitration: SBC (2nd)	AT&T/MCI
Texas	Docket 16300	§ 251 Arbitration: GTE	AT&T
Florida	Docket 920260-TL	Price Cap Plan	IXC Coalition
Louisiana	Docket U22020	Resale Cost Study	AT&T/LDDS
California	Docket R.93-04-003	Rulemaking on Open Network Architecture	LDDS/WorldCom
Tennessee	Docket 96-00067	Avoidable Cost/Resale Discount	AT&T
Georgia	Docket 6537-U	Unbundled Loop Pricing	CompTel
Georgia	Docket 6352	Rules for Network Unbundling	AT&T
Pennsylvania	Docket A-310203F0002	Introducing Local Competition	CompTel
Florida	Docket 95-0984-TP	Interconnection Terms and Prices	AT&T
Kentucky	Case No. 365	Local Competition/Universal Service	WorldCom
Mississippi	Docket 95-UA-358	Introducing Local Competition	AT&T/WorldCom

State	Docket/Case	Торіс	Sponsor(s)
Florida	Docket 95-0984-TP	Interconnection Terms and Prices	AT&T
Illinois	Docket 95-0458	Wholesale Local Services	WorldCom
California	Dockets R.95-04-043/044	Local Competition	WorldCom
Florida	Docket 95-0696-TP	Universal Service and Carrier of Last Resort Obligations	IXC Coalition
Georgia	Docket 5755-U	Removing Subsidies from Access	AT&T
South Carolina	Docket 95-720-C	Price Regulation	ACSI
Michigan	Case No. U-10860	Interconnection Agreement	WorldCom
Mississippi	Docket 95-US-313	Price Regulation Plan	WorldCom/AT&T
Missouri	Case TR-95-241	Expanded Local Calling	MCI
Washington	Docket UT-941464	Interconnection Complaint	IXC Coalition
Maryland	Case No. 8584 – Phase II	Introducing Local Competition	WorldCom
Massachusetts	DPU 94-185	Introducing IntraLATA and Local Competition	WorldCom
Wisconsin	Docket 6720-TI-111	IntraLATA Equal Access	Schneider Com.
North Carolina	Docket P-100, Sub 126	Expanded Local Calling	LDDS
Georgia	Docket 5319-U	IntraLATA Equal Access	MCI/LDDS
Mississippi	Docket 94-UA-536	Price/Incentive Regulation	LDDS
Georgia	Docket 5258-U	Price Regulation Plan	LDDS
Florida	Docket 93-0330-TP	IntraLATA Equal Access	IXC Coalition
Alabama	Docket 23260	Access Transport Rate Structure	LDDS
New Mexico	Docket 94-204-TC	Access Transport Rate Structure	LDDS
Kentucky	Docket 91-121	Alternative Regulation Proposal	Sprint, AT&T and LDDS
Texas	Docket 12784	Access Transport Rate Structure	IXC Coalition
Illinois	Docket 94-0096	Customer's First Proposal	LDDS
Louisiana	Docket U-17949-D	Alternative Regulation	AT&T, Sprint and LDDS
New York	Case No. 93-C-0103	Rochester Plan-Wholesale/Retail	LDDS

State	Docket/Case	Topic	Sponsor(s)
Illinois	Dockets 94-0043/46	Access Transport Rate Structure	IXC Coalition
Florida	Docket 92-1074-TP	Expanded Interconnection	Intermedia
Louisiana	Docket U-20800	Access Transport Rate Structure	LDDS
Tennessee	Docket 93-008865	Access Transport Rate Structure	LDDS
Ohio	Docket 93-487-TP-ALT	Alternative Regulation	Allnet/LCI/LDDS
Mississippi	Docket 93-UN-0843	Access Transport Rate Structure	LDDS
South Carolina	Docket 93-756-C	Access Transport Rate Structure	IXC Coalition
Georgia	Docket 4817-U	Access Transport Rate Structure	IXC Coalition
Louisiana	Docket U-20710	Pricing and Imputation Standards	LDDS
Ohio	Case 93-230-TP-ALT	Alternative Regulation	MCI/Allnet/LCI
New Mexico	Docket 93-218-TC	Expanded Local Calling	LDDS
Illinois	Docket 92-0048	Alternative Regulation	LDDS
Mississippi	Docket 93-UN-0038	Banded Rates for Toll Service	LDDS
Florida	Docket 92-1074-TP	Expanded Interconnection	Florida Coalition
Louisiana	Docket U-20237	Preferential Toll Pricing	LDDS, MCI and AT&T
South Carolina	Docket 93-176-C	Expanded Local Calling	LDDS & MCI
Mississippi	Case 89-UN-5453	Rate Stabilization Plan	LDDS & ATC
Illinois	Docket 92-0398	Local Interconnection	CLEC Coalition
Louisiana	Docket U-19993	Payphone Compensation	MCI
Maryland	Docket 8525	Payphone Compensation	MCI
South Carolina	Docket 92-572-C	Payphone Compensation	MCI
Georgia	Docket 4206-U	Payphone Compensation	MCI
Delaware	Docket 91-47	Application for Rate Increase	MCI
Florida	Docket 88-0069-TL	Comprehensive Price Review	Florida Coalition
Mississippi	Case 92-UA-100	Expanded Local Calling	LDDS & ATC
Florida	Docket 92-0188-TL	GTE Rate Case	MCI & FIXCA
Wisconsin	Docket 05-TI-119	IntraLATA Competition	MCI & Schneider

State	Docket/Case	Topic	Sponsor(s)
Florida	Docket 92-0399-TP	Payphone Compensation	MCI & FIXCA
California	Docket I,87-11-033	Alternative Regulation	Intellical
Florida	Docket 88-0068-TL	Rate Stabilization	Public Counsel and Large Users
New York	Case 28425, Phase III	Access Transport Rate Structure	Empire Altel
Wisconsin	Docket 05-TR-103	Intrastate Access Charges	MCI & CompTel
Mississippi	Docket 90-UA-0280	IntraLATA Competition	Intellicall
Louisiana	Docket U-17949	IntraLATA Competition	Cable & Wireless
Florida	Docket 88-0069-TL	Rate Stabilization	Florida Coalition
Wisconsin	Docket 05-TR-103	Intrastate Access Charges	Wisconsin IXCs
Florida	Docket 89-0813-TP	Alternative Access Providers	Florida Coalition
Alaska	Docket R-90-1	Intrastate Toll Competition	Telephone Utilities of Alaska
Minnesota	Docket P-3007/NA-89-76	Centralized Equal Access	MCI & Telecom*USA
Florida	Docket 88-0812-TP	IntraLATA Toll Competition	Florida Coalition
Wisconsin	Docket 05-TR-102	Intrastate Access Charges	Wisconsin IXCs
Wisconsin	Docket 6655-NC-100	Centralized Equal Access	Wisconsin IXCs
Florida	Docket 88-0069-TL	Rate Stabilization	Florida Coalition
Wisconsin	Docket 05-NC-100	IntraLATA Toll Competition	Wisconsin IXCs
Florida	Docket 87-0347-TI	AT&T Regulatory Relief	Florida Coalition
Illinois	Docket 83-0142	Intrastate Access Charges	Illinois Consolidated
Texas	Docket 8218	WATS Prorate Credit	TEXALTEL
Iowa	Case RPU 88-2	Centralized Equal Access	MCI & Teleconnect
Florida	Docket 87-1254-TL	Regulatory Flexibility for LECs	Microtel
Wisconsin	Docket 05-TR-5, Part B	IntraLATA Competition and Access Charges	Wisconsin State Telephone Assc.
Florida	Docket 86-0984, Phase II	Intrastate Loop Cost Recovery	Florida Coalition

## **BEFORE**

## THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

## **DOCKET NOS. 2010-14--19-C**

IN RE:	
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Affordable Phone Services, Incorporated d/b/a High Tech Communications <b>Docket No. 2010-14-C</b>	) ) ) ) ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Dialtone & More Incorporated <b>Docket No. 2010-15-C</b>	) ) ) ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Tennessee Telephone Service, LLC d/b/a Freedom Communications USA, LLC Docket No. 2010-16-C	CERTIFICATE OF SERVICE
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. OneTone Telecom, Incorporated <b>Docket No. 2010-17-C</b>	) ) ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. dPi Teleconnect, LLC <b>Docket No. 2010-18-C</b>	) ) ) ) )
BellSouth Telecommunications, Incorporated d/b/a AT&T Southeast d/b/a AT&T South Carolina v. Image Access, Incorporated d/b/a New Phone <b>Docket No. 2010-19-C</b>	) ) ) ) ) ) )

The undersigned hereby certifies that a copy of the **Direct Testimony of Joe Gillan** has been served by electronic mail service on the following this 27th day of August, 2010:

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s/ John J. Pringle, Jr. John J. Pringle, Jr.